



## REPORT FOR ACTION

# Proposed 2019 Capital Works Budget As Part of the Ten-Year (2019-2028) Program

**Date:** July 5, 2018

**To:** The Board of Governors of Exhibition Place

**From:** Chief Executive Officer

**Wards:** All Wards

### SUMMARY

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This report details the proposed 2019 Capital Works Program as part of a ten-year program submission to the City of Toronto. The City practice is to set budget targets for a ten-year cycle, although detailed review is completed on an annual basis. This review procedure allows the Exhibition Place to adjust its current program each subsequent year based on changing needs, building assessments, legislative changes, mandates and priorities.

Interim City Manager has provided a 2019 Budget Process with Directions and Guidelines for Capital Works Program budget to be submitted to City Financial Planning by June 26, 2018 with the understanding that the Board reserves the right to make changes to its content after its meeting. As 2018 is an election year, approval by Council will be in the Spring 2019.

The SOGR Capital Budget debt target set by City Council for 2019 is \$5.345M. The SOGR Capital Budget projects based on the building assessments is \$5.579M. This difference of \$0.234M will be funded by the CNEA as they have committed to covering 50% of capital projects for the Food Building which 2019 project is \$0.470M (50% - 0.235M). The total of Debt and CNEA funding meets the total project cost of \$5.579M for 2019.

An additional amount of \$2.115M is also being recommended for 2019 to fund the electrical underground high voltage utilities project for \$16.295M over ten years (2019 to 2028).

Even with the additional funding being recommended, the Net Accumulated Backlog at the end of 2019 for the grounds stands at \$30.051M.

### RECOMMENDATIONS

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The Chief Executive Officer recommends that:

1. The Board approve the Proposed 2019 Above the Line Capital Works State-of-Good Repair Budget of \$5.579 million (City Debt Target & CNEA Funding), as part of the ten-year (2019-2028) proposed program submission to the City of Toronto.
2. The Board request City Council to adjust the Ten-Year (2019-2028) Debt Target for Exhibition Place to include an additional total \$16.295 million of essential State-of-Good Repair capital requirements for the electrical underground high voltage utilities as detailed by each year in the Below the Line section of the Proposed Capital Works Program.
3. The Board direct the Chief Executive Officer to submit the 2019 Budget to the City Financial Planning Division as part of the 2019 Budget Process.

## **FINANCIAL IMPACT**

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The proposed 2019 Capital Works Program totals \$5.579M as a total program budget as detailed in Appendix “A” to this report.

## **DECISION HISTORY**

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The Exhibition Place 2017 – 2019 Strategic Plan has a Public Space and Infrastructure Goal to ensure that our State-of-Good Repair plan and processes are adequately linked to our capital plan and as a Strategy to support this Goal maintain and improve our event space.

## **COMMENTS**

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### **Background**

Over the next 10 years, the targets for the net capital program budget for Exhibition Place range from a maximum of \$12.435M in 2024 to a minimum of \$5.345M in 2019.

In order to formulate the Capital Program and as required by the City, building assessments were carried out for all the non-tenanted buildings. Results from these assessments are included, where applicable, in this ten-year capital program. Recent studies included the Storm Water Management, Food Building, and Heritage Structures.

Attached as Appendix “A” is the proposed Ten-Year (2019-2028) Capital Works Program for Exhibition Place with the current year 2019 budget being \$5.579M. This SOGR budget is submitted in accordance with the guidelines, policies and the five following categories as established by the City Finance Planning Department:

- Health and Safety (4.5% for 2019) – A capital project having an urgent requirement for repairs due to concerns of a health and safety hazard;
- Legislated/City Policy (None for 2019 – Capital expenditure required by the Provincial or Federal legislation or compliance with City Policy;

- State of Good Repair (53.2% for 2019) – A capital project that allows for the maintenance, repair or replacement of existing assets including asset rehabilitation required to meet health and safety issues or extend the useful life of the asset by 10 or more years;
- Service Improvement (42.3% for 2019) – Any capital project that improves service delivery above the current Council-approved standard or provides for the introduction of new services;
- Growth Related (None for 2019) – Any capital project that supports growth and development across the City;

For information purpose only, at the bottom in the spread sheet of each of the building project, as well as on the summary sheet, there is a separate table showing the SOGR Building Assessment Backlog, the annual SOGR requirement, the SOGR submission for that year and the net SOGR backlog remaining for that same year, which is above and beyond the allowable net capital program funding.

As discussed in the summary, the original debt target of \$5.579M for 2019 will not adequately address all the essential items. Even at this stage, this capital budget is not going to address all concerns arising from recently completed state-of-good-repair building assessments that include the Enercare Centre, the Coliseum Complex along with staff's revised assessment of other buildings, the Storm Water Management, Beanfield Centre, Food Building, and Heritage Structures.

The following is an outline of the eight (8) main projects within the 2019 Capital Works (Net) Program in order of priority; and one (1) below the line project for the electrical underground high voltage utilities. All budgets include estimated costs for engineering, construction, in-house work, project management, disbursements, and administrative charges where applicable but exclude the H.S.T.

#### 1. Pre-Engineering (\$0.125M)

This program is vital to the success of planning and executing the annual Capital Works Program. It provides funds for studies and investigations to determine project schedules and to establish costs for present and future required work. This pre-engineering work ensures the development of a relevant and realistic Capital Works Budget. Pre-engineering studies include both anticipated work in the ten-year Capital Works Program, building assessment for the State-of-Good-Repair of all buildings and equipment at Exhibition Place, as well as a design for future projects in advance due to timing and budget issues.

#### 2. Parks, Parking Lots and Roads (\$0.350M)

##### a) Festival Plaza Development - Storm Water Management (\$0.100M)

During significant rainfall, runoff from Exhibition Place parking lots, especially lots CP581, CP582 and CP583 with a combined area of over 20 acres, has contributed to flooding on Lakeshore Blvd. In 2017, Exhibition Place completed a Storm Water Management (SWM) Study for the entire EP site that investigated the feasibility of implementing sustainable storm water management solutions. Solutions proposed in the

Study include: rainwater harvesting tank, permeable sidewalk and pavement paving parking stalls, bio-swales and bio-retention rain garden.

In 2019, staff will be concentrating on the continuous design of the first chosen measure that is bio-swale in between adjacent permeable sidewalks situated in the middle of and across lot CP852 from east to west (New Brunswick Way to Ontario Drive) with a length of approximately 770 feet and average 40 feet wide.

b) Sidewalks, Pathways Road & Lots (\$0.200M)

This program is aimed at preventing deterioration of various sidewalks, pathways, and road sections on the grounds to avoid and reduce public liability and to comply with the AODA regulations for the safety of all visitors. Aside from the replacement of the damaged section of road surfaces for the Indy track, Exhibition Place will also be starting to implement the repair recommendations of the 2015 Parking Study. These recommendations include resurface and overlay of deteriorated parking lots based on priority plan including General Services Lot, CP851 and CP852.

c) Parking Technology (LRP) Upgrade (\$0.050M)

Parking Technology upgrades would include the installation of License Plate Recognition (LPR) Technology with support from the Toronto Parking Authority to allow Exhibition Place to move away from parking passes, increase enforcement, service efficiencies to reduce costs and ensure revenues are maximized. Additional Car Counting Technology will be added to the surface lots to improve vehicle wayfinding and parking availability across the grounds. Adding Additional Parking Gates and Loops to surface lot exits will assist with traffic management and vehicle flow. Upgrading parking attendant kiosks equipment replacement and upgrade will also be part of the work.

3. Mechanical/ Electrical Communication Infrastructure - (\$0.465M)

a) Building Automation System (\$0.100M)

Maintaining energy efficient systems in good working order translates to a lower utilities cost and less impact on the environment. Efficient equipment, proper programming, lighting power on or off, directional input to HVAC systems and equipment including AHU, cooling and heating are all part of the program and are best practices being promoted by the City and Province.

b) Transformers, Switchgears and Circuit Breakers (61 Sets in 38 Locations)  
Replacement in all Substations (\$0.110M)

This program will maintain all building and voltage power equipment some of which are over 70 years old. Unplanned outages or failure of the substation equipment could cause shows or events to be shut down for days as replacements are sought. As importantly, this program is to maintain safety standards for staff to work on in a routine manner as required by the show schedules.

c) Replace Fibre Optic Cable Grounds Wide (0.255M)

The fibre optic cable system installed in early 1990s was sized to meet the needs of the time at Exhibition grounds. Since then the Exhibition grounds wide needs have increased and our existing fibre optic cables are maximized. This project is to replace the fibre optic cable system in a systematic priority way for full replacement and upgrade. Next year, it will be expanding / updating the fibre optic cable from General Services to the Evercare Centre for the BAS / metering system. Completion of this work will assist in the future need to install additional metering required in the ECC. There will be new fiber optic cables, terminations, associated switches, equipment, and trenching required to complete this work.

4. Enercare Centre (\$1.085M)

a) Replace Windows in South Façade with Triple Glazing (\$0.515M)

There is considerable glazing in the south façade of Enercare Centre, directly opposite of the Beanfield Centre. These large windows mimick the architectural design of the Beanfield Centre. They are sealed thermal units dating from the construction of the building in 1996 that have a reliable service life of 20 years. The program will replace the double glazed windows with higher grade triple glazing filled with argon gas.

b) Elevators Retrofit (0.570M)

Enercare Center has five elevators installed in 1996 and at this time, purchasing parts from external suppliers become difficult. There have been a growing number of failures and entrapments in these elevators. Based on the age and current condition of the equipment a major control modernization must be done for all units within the next ten years. Elevators #1 and #5 will be retrofitted in 2019. The scope of work will include replacement of the present controllers with a newer design of microprocessor-based, the door operator; the leveling valves, and the hydraulic pumps and motors.

5. Coliseum Complex – (\$0.100M)

a) Roof Replacement in Phases (\$0.100M)

The Industry Building roof replacement is about 25 years old and now shows signs of deterioration and a roofing study in 2006 recommended its replacement in 2012. This is a flat roof constructed in a 3-step structure with a built up asphalt roofing system with a fine gravel ballast covering. The gravel stops and other flashings were originally copper although some of these flashings have been repaired with less expensive metals.

The 2019 budget is for the design of the roof in order to be ready for construction in 2020. The option for photovoltaic installation on the high sections will also be studied and cost estimated for implementation.

6. Queen Elizabeth Building – (\$0.275M)

a) Replace Fire Alarm System (\$0.275M)

The fire alarm system in the Queen Elizabeth Building is Pyrotronics System 3 that is no longer supported by the manufacturer as of 2018 and must be changed over from MXL to a XLS addressable fire alarm. The Ontario Building Code also requires that any replacement of a fire alarm control panel be accompanied by an upgrade of the complete fire alarm system. This project includes replacement of the MXL display and control centre (DCC) to XLS, new transponder panels, all hardware inside each transponder cabinet, reconnecting all speakers and devices to the XLS panel, as well as all firefighter emergency handsets and all necessary programming. In addition, any deficiencies such as fan shut down with fire alarm, sprinkler valves not supervised shall be upgraded to present Code.

#### 7. Other Buildings (\$0.450M)

##### a) Various Buildings & Grounds Wide Security Surveillance System/Card Access/CCTV (\$0.250M)

This program will upgrade the security systems throughout the grounds and includes the following:

- Video surveillance cameras located strategically throughout the grounds with a focus on parking areas, perimeter facilities, high security areas and high incident areas;
- Card access doors located throughout the grounds focused on electrical substations, employee work area access and leasable space access; and
- Crisis stations strategically placed in the parking garage, reception areas, main public travel routes and high security areas.

This Exhibition Place security program has focused on addressing three fundamental security elements:

- Addressing security concerns of employees working in environments with a high probability of work place violence;
- Securing critical infrastructure, high hazard/risk locations and the protection of assets; and
- Balancing the need for physical security and ease of access.

##### b) Public Art & Monument Collection Restoration & Conservation (\$0.050M)

Exhibition Place is the custodian of a large collection of public art and monuments, valued at approximately \$2.0M. Included in the collection are paintings on canvas, painted on wall murals, glass and mosaic murals, sculptures (limestone, bronze, metal), as well as granite and brick installations. A study of the collection was completed in 2015 and 2016 and a 10-year SOGR program for this collection was established. Some of the required repairs can be carried out by Exhibition Place staff, but much of the work will require the intervention of conservators with specialized training in various mediums of art. To date, 3 of the 8 Haines Murals have been reviewed and restored along with mechanism to protect them from easy deterioration by sunlight in the Enercare Centre. In 2019, the focus will be on the sculpture in the Queen Elizabeth Theatre.

c) Carillon Tower Retrofit (\$0.150M)

The Carillon, installed at Exhibition Place in 1974, was manufactured in the Netherlands by the Royal Eijsbouts Bell Foundry, a company world-renowned for its carillons, bells, belfries, tower clocks and bronze art work. The Carillon mixes steel, wood, glass, aluminum, and metals (iron, bronze, copper and tin). The structure consists of an 80 foot steel tower with an open framework containing 50 bells ranging from 8 to 60 inches in size and 30 to 4800 pounds in weight. The Carillon is one of only 11 such instruments in Canada, 9 of them currently playable.

In 2000 and 2001, the Carillon Tower was overhauled by C. Arthur Scott Co. and it has been operational since then. An assessment completed in 2017 identified signs of deterioration of the support system. Further investigation of the condition of bolts inside the bell support beam is being done in 2018 that will guide the repairs required in 2019.

8. Beanfield Centre – (\$2.259M)

a) Hotel X Bridge, Phase I (\$1.709M)

This project is the carried-forward funding for the installation of an elevated bridge between Beanfield Centre and Hotel X, at the second floor level. Without the bridge to link and connect the hotel to Beanfield Centre, the economic success of Beanfield Centre and the hotel are in part jeopardized because both are dependent on being able to generate sales from what is known as “self-contained” conventions/conferences. In order for both the hotel and Beanfield Centre to maintain and achieve its target occupancy and the financial return projected for these facilities, a weather-protected connection is required. The design and consultation stage with City Heritage / Planning is now undergoing with an estimated completion date and report to Council early in 2019.

b) Hotel X Bridge, Phase II (\$0.550M - 2019, \$0.530M - 2020)

This project is the continuation of the approved second phase by Council last year. Funding is for the construction and installation of the bridge between Beanfield Centre and the Hotel X. It is anticipated that the construction of this bridge will commence in the fall of 2019 and be completed and operational in the summer of 2020, in time for the heavy show session in the fall / winter of 2020/2021.

9. Better Living Centre - No project in 2019

10. General Services Building - No project in 2019

11. Horse Palace - No project in 2019

12. Food Building - (\$0.470M)

a) Bust Duct Replacement (\$0.470M) (CNEA funding of 50% of this project)

This project is to replace the aging 208/600 volt bus duct and all the switches both of which are over 50 years old. The Food Building “Bus Duct” acts as a backbone to the electrical services throughout the building to deliver electrical show services to Food Building vendors. The Bus Duct is only accessible by heavy-duty fixtures, which grip the current cooper rail. Overtime the bus rails have eroded at the connection point through the action of making and breaking connections. Coupled with the deterioration, the parts (plugs) are no longer available. The Food Building is the main building for CNEA food services. The 2017 Lease between the CNEA and the Board provides that the parties will establish a capital program for the Food Building and jointly fund proposed / approved projects. This is the first project to be proposed under the terms of the Lease.

13. Press Building - No project in 2019

14. Special Projects - No project in 2019

15. Electrical Underground High Voltage Utilities (\$2.115M - 2019; \$14.180M - 2020-2027 Third Party Funding to be secured)

There is a need to replace all underground high and low voltage electrical cables (13,800 volts to 600 volts) and their associated equipment for isolation such as switchgears & grounding. The underground cables are old, some over 50 years old and beginning to fail. These cables supply all the power and life safety services to the buildings on the grounds as well as all street lighting and parking lot lighting. The rate of ground fault failures, splice failures, and general cable failures are increasing.

A feasibility study for Exhibition Place high voltage power distribution system and substations was completed at the end of 2017 and approved by the Board. The 8 priorities of the Study to be completed over a 10 year period are as follows:

- Replace frequently failed feeders A32T/A33T to TWX and A34T/A35T to TWX;
- Consolidate indoor mid-air substation of IEX, IWX and FAX;
- Replace poor equipment in various substations due to safety and aging;
- Consolidate BLC substations (BLX, NE, NW, SE, SW) to one 13.8KV substation;
- Upgrade transformer and switchgear at TOX, WANX, and WASX;
- Upgrade switchgears at Beanfield substation;
- Replace cables A81T/A82T/A83T to NTX; and
- Upgrade General Services and Horse Palace substations.

16. Green Energy Initiatives - No project in 2019

## CONTACT

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## **SIGNATURE**

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## **ATTACHMENTS**

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Appendix A - Proposed 2019-2028 Capital Works Program